



July 31, 2009

The Federal Reserve Board of Governors
20th and C Streets, NW
Washington, DC 20551

RE: Interim Final Rule Implementing the Credit Card Accountability Responsibility and Disclosure Act. Docket No. R-1364

Dear Board of Governors,

On behalf of White Sands Federal Credit Union and our membership, I am writing to you with our concerns not only in respect to the impending August 20th deadline for providing our membership a 21 day notice on all open end loans, but also our concerns about the addition of open end auto lending into the new regulation. At White Sands Federal Credit Union we made a business decision to offer our members open end auto lending in order to make the lending process less burdensome and more efficient for our members.

Our major concerns lie in the fact that open end auto lending and credit card lending are very different. A member can advance on their credit card numerous times a month up to a given limit and not know what their new payment is or for that fact what the interest rate in some cases will be until the next statement. In comparison, our open end auto lending, the member has a set payment a due date and an interest rate when they first receive the loan. If the member wishes to advance on that loan at a later date, they are required to set down with a Credit Union representative, who in turn reviews the request and all pertinent information. Upon the approval of the request the member is given the new payment amount and the due dates and interest rates remain the same.

Another difference in our open end auto lending program, our members are given the choice of payment frequency options. They may elect to have one monthly payment, bi-weekly, semi monthly and even weekly payments. With this new regulation we are limited as to what we can offer our membership. We can no longer offer them bi weekly, semi monthly or weekly payments due to the 21 day notice requirement.

Our concern on the impending deadline of August 20th is the short period of time in which we have been given to undertake this very massive and detailed issue. Our

software provider at this time, due to the limited time to develop and produce a viable alternative, has offered only two options in order for us to be in compliance. We can either develop new periodic statement schedules and send out statements that coincide with the proper notice requirements for each loan, which in some cases could be two or three additional statements per month per member or we may change the due date on all loans to the end of the month eliminating our members' choices of when they want their due dates and the payment frequency. Both options will drastically increase the credit union's expenses and will also confuse and upset the membership. Even with that we do not have enough time to change our current system and processes for either option to be in compliance by August 20th.

We realize that there is little the Federal Reserve Board of Governors can do to change the law as it relates to open end auto lending, however we would like to respectfully request that you delay compliance with the 21 day notice provision on open end lending other than credit cards set to take effect on August 20, 2009. This will not only allow us more time to revise our systems and processes but will also allow our software company time to develop new alternatives to help us comply with this new regulation. Also we would like to respectfully request that the Board of Governors allow us to continue to issue our consolidated end of month statements on all open end auto loans by allowing us to add on the required information on covered loans for the current month and for all covered loan payments for the following month insuring that the member receives the proper 21 day notice.

Thank you for your attention to this issue and for taking into consideration our concerns.

Sincerely,

Anthony Schmalfeldt
Executive Vice President
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